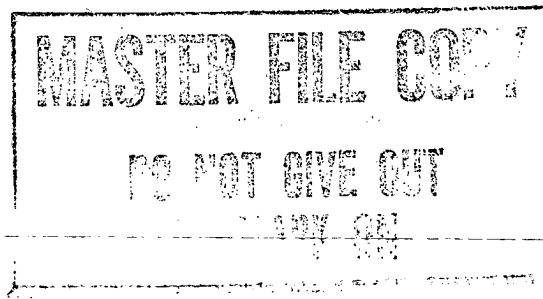




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China: Defense Modernization Strategy for the 1980s

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An Intelligence Assessment

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China: Defense Modernization Strategy for the 1980s

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An Intelligence Assessment

This paper was prepared by [redacted] Office
of East Asian Analysis. Comments and queries are
welcome and may be directed to the Chief, Defense
Issues Branch, OEA, [redacted]

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**China:
Defense Modernization
Strategy for the 1980s**

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Key Judgments

*Information available
as of 30 August 1983
was used in this report.*

Beijing is making significant progress in its defense modernization program, a long-term effort aimed at making the People's Liberation Army (PLA) an increasingly competent force. Military professionalism is being reinstituted, but it is still encountering obstacles. China's defense industries are developing more advanced weapons for deployment over the next decade. These systems, although at best comparable to weapons widely deployed today with Western and Soviet forces, will add markedly to Beijing's defenses.

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Beijing is unlikely to make any major modifications in its defense strategy but is working to improve the integration of air, ground, and naval forces in joint military operations and to enhance the coordination of armor, artillery, and infantry in combined arms operations. China will continue for at least the next decade to rely on a combination of terrain, manpower, and defense in depth for its conventional defense and to base its nuclear defense on a small, but—in Beijing's view—survivable, nuclear deterrent. The size of the PLA should remain relatively stable for the next decade following the successful streamlining of the force over the past three years.

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The Soviet military buildup in the Far East underlies Beijing's defense modernization program. In response to Soviet ground, air, strategic missile, and naval deployments in the region, we believe Beijing is setting the following agenda for improving its military capabilities:

- *Nuclear forces.* To improve the Chinese deterrent to an aggressor's first strike, Beijing is deploying additional ICBMs, building a small fleet of ballistic missile submarines, and by the late 1980s probably will begin initial deployment of a solid-propellant, intermediate-range ballistic missile. Work on a new solid-propellant ICBM could begin soon and the system probably will be ready for deployment in the mid-1990s.
- *Ground and air forces.* To augment China's conventional capabilities to defend its national borders, Beijing is beginning widespread deployment of new antitank missiles, shoulder-fired surface-to-air missiles, and armored personnel carriers for mechanized infantry. By the late 1980s, Beijing will have widely deployed a tactical air defense missile and a new self-propelled gun. In the early- to mid-1990s, China will begin production of an advanced generation of fighter aircraft, helicopters equipped with antitank guided missiles, its first infantry fighting vehicle, and a new tank with improved armor protection and a modern main gun.

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- *Naval forces.* Seeking to become a regional Pacific naval power, Beijing will deploy at least three more nuclear attack submarines and begin production of a new class of high-speed frigate equipped for antisubmarine warfare and air defense roles by the early 1990s. [REDACTED]

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China's military establishment is in general agreement on the modernization strategy, but there are divergent views as to priorities and the role of imports in weapons modernization. China's top civilian and military leaders have placed stringent restrictions on the purchase of Western weapons and are seeking primarily the import of production technology. Others, notably senior commanders of the Air Force and Navy, argue for the procurement of some advanced weapons from abroad to fill major gaps in defense capabilities quickly. Highlighting the ongoing debate, Defense Minister Zhang Aiping recently vetoed a Navy contract to buy British Sea Dart naval missiles and canceled Air Force negotiations with the French for Mirage fighters. We believe a policy of extremely selective weapons buys will prevail, although pressure from the various service arms for faster improvements will probably continue. [REDACTED]

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China's success in meeting its military modernization objectives over the next decade will depend largely on the following factors:

- Success in higher priority programs to modernize agriculture, industry, and science and technology.
- The allocation of sufficient funds to finance the production of new weapons.
- The ability of the defense industries to modernize and to assimilate effectively foreign technology.
- The maintenance of domestic political stability. [REDACTED]

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Beijing's improvements to its defense posture are unlikely to alter significantly the overall balance of forces in East Asia. By the end of the 1980s, new defensive weapons—if fielded in sufficient numbers—will considerably enhance China's capability to inflict heavy losses on any Soviet conventional invasion. The Soviets, however, will continue to improve their forces stationed along China's northern border and to hold an overwhelming advantage in offensive power. [REDACTED]

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China's expanding nuclear capabilities will not represent a markedly increased threat to the United States in the early 1990s, because Beijing will have deployed only 10 to 20 full-range intercontinental missiles by then. China will continue to seek assistance from the United States and other advanced nations in improving its conventional arsenal and many of the anticipated weapons developments depend heavily on the acquisition of advanced technology from the West. [REDACTED]

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Although China is improving its amphibious assault capabilities through training, we detect no attempts to build the 70 to 100 tank landing ships we estimate are required for Beijing to pose a real invasion threat to Taiwan. A program to build large numbers of landing ships for this purpose is unlikely as it would divert scarce resources from higher priority programs. [REDACTED]

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Weapons enhancements will enable Beijing to improve its capabilities against weapons currently in Taiwan's and Vietnam's inventories. New fighters, frigates, and armored vehicles, if deployed in strength in the 1990s, will give China a qualitative advantage over its southern adversaries. Vietnam, in particular, may find its recently augmented northern border defenses jeopardized. [REDACTED]

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It is not realistic or possible for us to buy national defense modernization from abroad. . . . Depending on modeling one's weaponry on others is not a way (either). . . . At the outset it is necessary to obtain some technology that can be imported and model some weaponry on that of others. However, if we are content with copying, we will only be crawling behind others. . . . The fundamental way is to rely on ourselves.

Defense Minister Zhang Aiping, March 1983



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China: Defense Modernization Strategy for the 1980s

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Introduction

A recent assessment of China's conventional forces concludes that the Chinese People's Liberation Army has begun procuring a new generation of conventional military weapons and equipment.¹

These improvements in weaponry represent a significant step forward; one long-awaited by the Chinese military. This assessment examines China's military modernization strategy for the next decade. We believe China's military planners have marked out a comprehensive and pragmatic course for military improvements in the 1980s and, within the limits of China's technological and economic capabilities, are making progress in gearing the PLA for modern warfare.

Underlying Beijing's defense modernization program is its concern about the Soviet military buildup in the Far East. Beijing is well aware that Moscow has substantially augmented both its strategic and conventional military power opposite China by:

- More than tripling since 1965 the number of combat divisions deployed along the Sino-Soviet border.
- Expanding the Pacific Fleet until it has become the largest in the Soviet Navy.
- Upgrading airpower in the Soviet Far East by introducing the newest tactical aircraft and combat assault helicopters in the Soviet inventory.
- Expanding its large nuclear strike force by deploying Backfire bombers and the highly mobile SS-20 intermediate-range ballistic missiles in the Far East.
- Gaining access to Vietnamese air and naval bases and providing large quantities of sophisticated weapons to Hanoi.

Beijing has monitored the Soviet buildup but has had little recourse beyond increasing the number of combat divisions—equipped with vintage 1950s weapons—stationed opposite the Soviet Union and Vietnam. Political turmoil kept Beijing from addressing

the problems of China's deteriorating military position until Deng Xiaoping's consolidation of power in the late 1970s. As Chief of Staff of the PLA, Deng in July 1975 delivered a blistering attack on the state of the armed forces to a session of the Military Commission of China's Communist Party. He condemned the PLA's five sins of "laziness, bloatedness, factionalism, arrogance, and extravagance." Deng outlined in a central directive a blueprint for strengthening the military, but his master plan was interrupted when he was purged for a second time in 1976 by the Gang of Four. Deng returned to power in July 1977 and, resuming the position of PLA chief of staff, began to implement the needed reforms.

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Deng's program is described by the Chinese as a process of building the PLA into a modern armed force by gradual improvement. The first step is to transform the PLA from a highly politicized and militarily deficient force into a professional military organization. The second and more costly step is the overall updating of the PLA's weapons.

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Professionalization

Given the damage done over the last 20 years, Deng and his allies have already made remarkable progress in reinstituting professionalism in the PLA. The reformers are using as their template the military program of the 1950s. Many of the military leaders of that era were rehabilitated between 1973 and 1975 to help reshape the PLA and steer it away from the leftist egalitarianism imposed on the military from the late 1950s and especially during the Cultural Revolution.

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Since 1978, the reformers have streamlined the PLA, consolidated commands, and reopened military academies. Examinations and diplomas from military academies have replaced knowledge of Maoist doctrine

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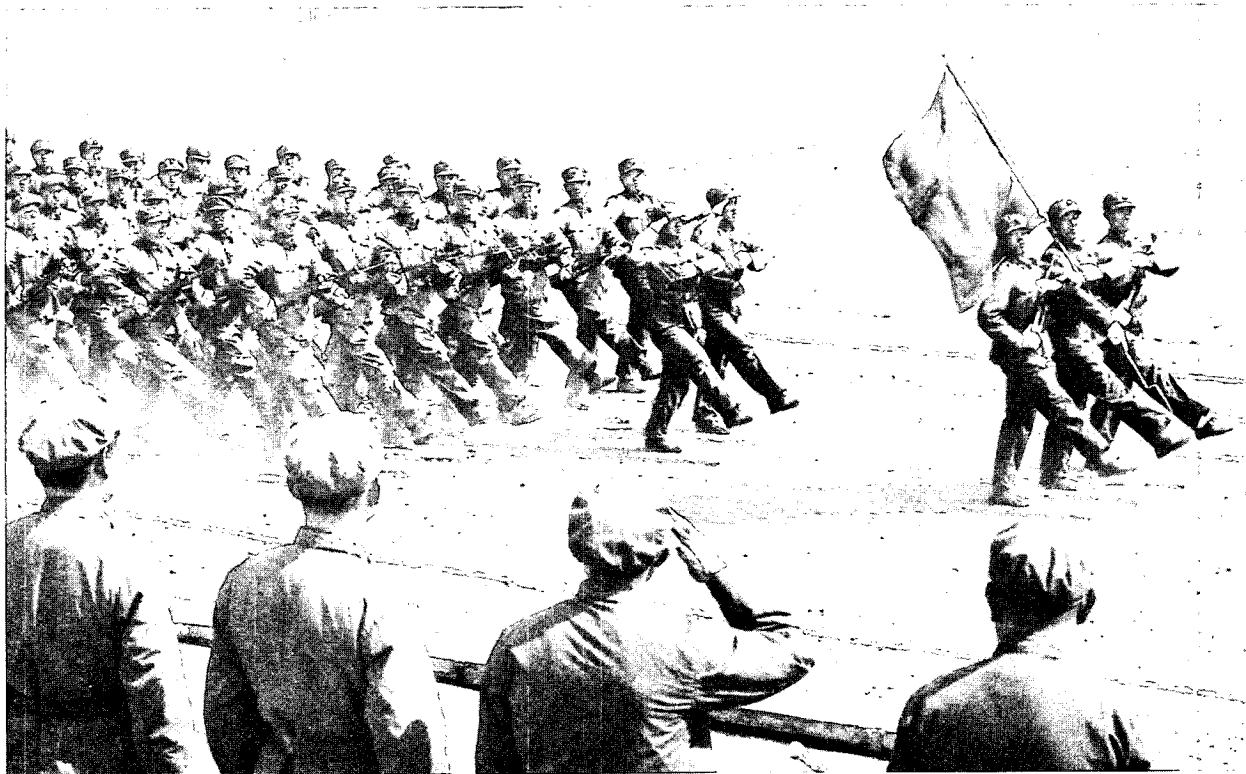
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Military parades, discontinued during the Cultural Revolution, symbolize the PLA's new professionalism.

Liberation Army Pictorial ©

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and peasant backgrounds as the criteria for recruitment and promotion. In addition, the PLA has in recent years begun the politically sensitive task of replacing the old guard with a younger generation of better educated cadre (officers). Beijing is also experimenting with new tactical military concepts designed to make more effective use of existing weapons and anticipated new arms.

The program singled out for retirement the old, feeble, illiterate, or politically unreliable. The ground forces, the largest combat arm of the PLA, have undergone the bulk of the personnel reductions both in combat and combat support units. Deng Xiaoping encountered some opposition to the program but, according to Permanent Vice-Chairman of the Party Military Commission Yang Shangkun, Deng successfully defended the reductions.

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Streamlining

The most sweeping and successful facet of professionalization is the program to trim the size of the armed forces. We estimate that since 1980 the Chinese, without deactivating any main combat units, have through demobilizations reduced the size of the PLA by approximately 1 million men.²

Phasing Out the Old

As Beijing completes the trimming of the PLA, it is turning its attention to rejuvenating the officer corps. Cadre transfer campaigns—a program of discharging officers from the military and placing them in civilian governmental positions—have rid the PLA of its

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Following improvements in the level of modern weapons, equipment and the command system, it is entirely possible to appropriately reduce the number of soldiers. Just as Comrade Deng Xiaoping said: A reduction and not an increase in manpower is a sign of modernization. It can thus be seen that practicing the policy of better troops is not a negative or stagnant policy but a positive and advanced one.

Military Commission Secretary General Yang Shangkun, August 1982



unwanted, overaged junior-grade officers. But the task of removing senior officers who are too old for effective service has proved far more difficult. [REDACTED]

Many senior officers entered the army before 1930 and are respected veterans of the "long march." Beijing has moved cautiously to entice rather than require their retirements and is offering them lucrative benefits such as full salary, free housing, transportation, and medical care. As face-saving measures, some old commanders are being given the title of "adviser." In a recent visit to units in the northeast, Chief of Staff Yang Dezhi called on these old soldiers to retire but also to help the new officers by "mounting their horses and riding part of the way with them." [REDACTED]

Nonetheless, there are signs that continuing resistance to retirement from aged officers is impeding the progress of rejuvenation. One military region commander who gave up his post in 1982, Wu Kehua of Guangzhou, told a subcommittee session of the 12th National Congress that aged officers continued to fear that younger men were incompetent and that retirement would mean both a loss of political status and a lower standard of living. Yang Shangkun appeared to confirm that Beijing is encountering some resistance when he told a military audience in February that it would take three to five years to complete the program of making the officer corps younger in average age. [REDACTED]

Pronouncements in the Chinese media indicate that Beijing's efforts to retire the old guard did begin registering notable successes last fall. At the national level, there were several key military personnel changes, including the appointment of a new Minister of National Defense and a new Director of the General Political Department of the PLA. In addition, four out of the 11 military region commanders were replaced. Yang Dezhi announced at the Sixth National People's Congress in June 1983, that the average age of commanders was now close to 50 for army-level officers, 45 for division-level officers, and below 40 for regimental-level officers. Although Yang may have exaggerated his successes, provincial press pronouncements show that China's 36 military districts are currently being revamped. At last count, 19 military districts had announced the selection of new, younger, and better educated commanders and political commissars. [REDACTED]

Easing out older officers is allowing China's military leaders to consolidate the command structures at all levels. Deng correctly charged in 1975 that the command levels were "bloated." This occurred because the PLA created new positions in commands for the

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original fighters of the revolution rather than force anyone to step aside. Analysis of leadership appearances indicates that the PLA's operation arm—the General Staff Department—has halved the number of subordinate service arm commands and shows a drop from as many as 10 to five active deputy chiefs of staff. [REDACTED]

The military region commands were also consolidated last fall. The staff of the Guangzhou commander, identified in Chinese media accounts as the model, dropped from 12 deputy commanders and political commissars to six. At the military districts, the same cuts are occurring with one district noting a 40-percent reduction in the size of headquarters staff. [REDACTED]

Bringing in the New

China is creating a new, senior-level officer corps by filling vacated positions with those officers trained in the military academies before the Cultural Revolution. These new military commanders have had a markedly different experience in the military than their predecessors. The new army and division commanders were recruited during or after the civil war and their most prominent experience with warfighting was the Korean War, the Sino-Indian border conflict, or the 1979 clash with Vietnam. They entered the PLA as it first acquired tanks, aircraft, and other weapons of modern combat, and from the beginning of their careers the PLA was a regular army. In addition, many of the new guard are college educated and most have attended professional military academies at various points in their careers. They are, in general, more professional and probably more capable than the old guard of learning and adapting new warfighting weapons and techniques. [REDACTED]

Beijing has also made dramatic changes in recruitment policies for junior-grade officers. Before 1978, military academies had been closed for 10 years and the PLA had no alternative but to continue its traditional practice of promoting soldiers through the ranks into the officer corps. Today, Beijing has abolished direct promotions and is sending promising soldiers to the military academies before promotion and inducting high school and college graduates as officer candidates. For 1983, Beijing has announced the following steps:

- 12,850 soldiers from the ranks, the highest number ever, have been selected to attend 30 army colleges this fall as officer candidates.

- 20 military schools will admit senior middle school graduates, for the first time, for a four-year education as officer candidates.
- 7,700 college and university graduates will be commissioned as officers upon completing a short course at military schools. [REDACTED]

The PLA's ultimate goal is to reduce the number of junior officers trained at colleges outside of the PLA and eventually have every officer enter the unit with a college education. According to military attache reports, only 20 percent of the junior officers are graduates of military academies, and the PLA hopes to increase the number to 80 percent by 1990. For the time being, however, the small numbers of academies and instructors means the PLA must rely on recruitment of officers trained in nonmilitary schools. [REDACTED]

Returning to the Barracks

In addition to streamlining the regular PLA, Beijing is removing the army from public security and construction duties. The PLA has been the last bastion against civil disorder and in the turmoil of the Cultural Revolution army units assumed responsibility for internal order throughout China. [REDACTED]

In 1982, the PLA began handing over police functions to the People's Armed Police Force, a reconstituted internal security organization subordinate to the Public Security Bureau. The People's Armed Police was first formed out of the PLA in 1955 when an estimated 170,000 PLA troops were transferred to the Ministry of Public Security. During the Cultural Revolution, the People's Armed Police was absorbed by the PLA. [REDACTED]

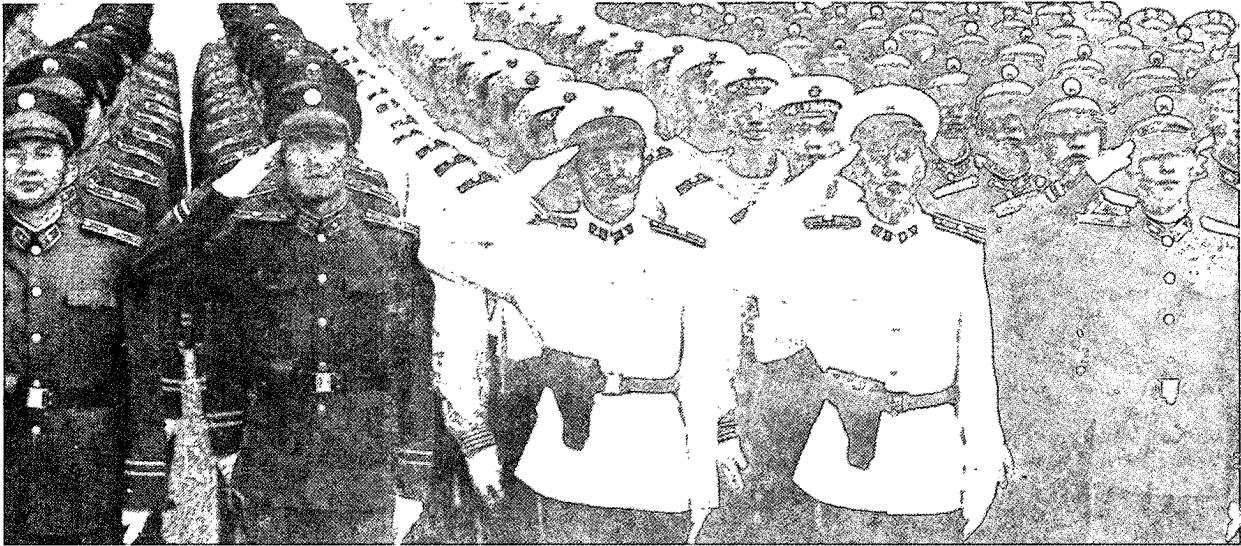
[REDACTED] Beijing announced in April the formation of national headquarters for the People's Armed Police and said the new force would maintain internal security, suppress sabotage, maintain social order, safeguard life and property, and cooperate with the PLA on border defense. [REDACTED]

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The PLA honor guard started wearing new uniforms on Army Day, 1 August 1983.

China Daily ©

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The PLA is also withdrawing from capital construction activities. In the mid-1960s, Mao Zedong mobilized military forces to undertake large capital construction projects. At its peak during the mid-1970s, the Capital Construction Engineering Corps comprised almost 500,000 men in 50 division-level units. The CCEC is currently being turned over to provincial production bureaus

will be applied to all officers. Ranks will certainly force the high command to set up army-wide evaluation procedures and promotion boards as well as bestow in one massive undertaking ranks on all officers by delaying the introduction of ranks till 1985, the Chinese high command buys itself time to complete the task of reorganizing commands, rid the officer corps of unwanted people, and formulate promotion procedures.

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Reestablishing Ranks

Another emerging facet of a professional PLA is the reestablishment of ranks.

The rank structure was abolished in 1965 and since then the PLA has used position to identify command authority.

China's military leaders have admitted to foreign attaches that Chinese uniforms lack a professional appearance and recognize that improvements in military dress would instill greater pride. Beijing is experimenting with uniforms and insignia. At a parade in 1981 paratroopers, for the first time since the Cultural Revolution, wore uniforms with patches bearing the Airborne Corps insignia. On Army Day, 1 August 1983, the *People's Daily*, published photographs of a new uniform with epaulettes and insignia on the collar tabs indicating branch of service. Widespread use of new uniforms is apparently being held up, however, by delays in the reintroduction of ranks and by the costly process of outfitting an army of over

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Reestablishment of ranks is a particularly vexing issue for the military. Some PLA voices argue that ranks will destroy the egalitarian spirit of the army and cause unnecessary competition for promotions. Some are also concerned that strict "up or out" rules

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4 million men. Embassy officials in Beijing were told in August that the new uniforms would be phased in over the next two years. [REDACTED]

Revitalizing the Reserves

An aspect of PLA professionalism that has not yet been fully revitalized is the reserve system. Prior to the Cultural Revolution, demobilized soldiers served as members of a militia unit for five years. Officers, depending on age, either returned to their old unit or actively trained with a militia unit for one month each year. During the Cultural Revolution, demobilized soldiers and officers were simply given letters stating that they should return to their units during a national recall. The militia was politicized as the leftists attempted to build it into their own military force that reportedly included 250 million people with virtually no regularized training. [REDACTED]

Today, the Chinese Chief of General Staff has set as major goals the creation of a reserve system and the trimming and revitalization of the militia. A mid-March radiobroadcast noted that militia reforms were intended to make the militia an integral part of the PLA reserve system. Presumably, demobilized soldiers will once again join militia units which undergo serious and rigorous training, and a reserve officer system will reemerge to keep a body of trained officers ready to reenter military service in times of wartime mobilization. [REDACTED]

Using Existing Weapons Effectively

Largely as a result of lessons learned during its 1979 border war with Vietnam, the PLA is looking at ways to use existing weapons more effectively. Chinese officers have repeatedly bemoaned the poor coordination of infantry, armor, and artillery units during that conflict. A 1980 article in the army newspaper, *Liberation Army Daily*, pointedly advised officers that infantry assaults using hand-to-hand combat techniques are unlikely to succeed against highly mechanized Soviet divisions possessing substantial firepower. The author noted that the PLA did best in Vietnam when infantry commanders remembered that the PLA had artillery and called in long-range fire support before mounting infantry assaults against defensive positions. [REDACTED]

The Chinese clearly are emphasizing improved combined arms operations. A Hong Kong magazine, quoting a Chinese military source, reported in April that the Military Commission recently directed the formation of "combined arms armies" with artillery and armor divisions added to the standard three infantry divisions. [REDACTED]

The PLA is also holding increasingly sophisticated combined arms, joint-service, and intraservice training exercises. In the fall of 1981, Beijing conducted its largest military exercise ever, involving more than 50,000 troops and 500 combat aircraft. The combined ground and air force operation, northwest of Beijing, was designed to test joint operations to counter a Soviet attack. Since that time we have noted other important advanced exercises:

- The Chinese media in June announced that the Chinese airborne forces had staged their largest exercise ever in Wuhan Military Region. [REDACTED]

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Infantry and armor forces conducting a combined arms exercise.

Liberation Army Pictorial ©

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New Capabilities

The modernization of China's vast but obsolescent military arsenal is an enormously expensive and complex proposition. Faced with budgetary constraints, technological limitations, and a multitude of competing priorities, the PLA is pursuing a variety of weapons programs designed to achieve the goal of developing the capabilities to fight a modern war. Although we do not know the exact form that weapons modernization will take, we are able—using a combination of information about weapons programs and statements by military leaders—to piece together a fairly comprehensive picture of Beijing's objectives for strategic, ground, air force, and naval forces weapons modernization over the course of the next decade.

Strategic Forces

Beijing's highest priority is to improve its ability to deter an aggressor's first strike. Unlike other areas of defense modernization, nuclear weapons development and deployment continued at a slow but uninterrupted pace throughout the turmoil of the 1960s and early 1970s.

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Land- and Sea-Based Missiles. We believe that for the rest of this decade China's nuclear program will concentrate on deploying additional limited-range CSS-3 and full-range CSS-4 ICBMs.

China, with a larger ICBM force, will increase its chances of penetrating Moscow's ABM defenses and widen its options against both Soviet and US targets.

China will also bring to operational status its first nuclear-powered ballistic missile submarine (SSBN) by the mid-1980s.

We believe the first Xia will be operational with a 2,400-kilometer-range missile by the mid-1980s. The editor of *Jane's Fighting Ships* was told in July by Chinese officials

that a second Xia is under construction and that China plans to build six additional Xias. We estimate that up to five SSBNs could be operational by the early 1990s.

Research and Development Programs. Beijing is funding important research and development programs for future deployment. We estimate that, while continuing to deploy more SSBNs and CSS-4s, the Chinese will begin fielding the following weapons late in the 1980s and in the 1990s:

- A new solid-propellant IRBM that could be carried on a large prime mover, giving China its first fully mobile strategic missile and offsetting somewhat Soviet SS-20 intermediate-range ballistic missile (IRBM) deployments in the Far East.

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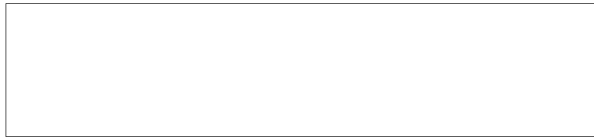
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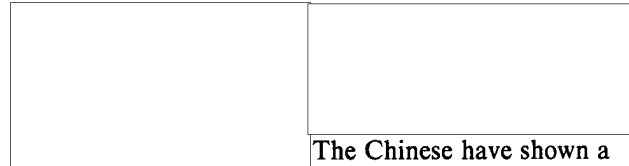
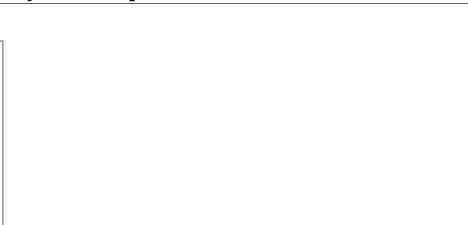


notably improve the capability of infantry forces to destroy Soviet T-54, T-55, and T-62 tanks now deployed in quantity along China's borders.

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- A large solid-propellant ICBM that would improve the reliability and responsiveness of the ICBM force.



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The Chinese have shown a marked interest in Western helicopters equipped with antitank missiles and, given the Soviet tank threat, we believe the Chinese will deploy helicopters equipped with antitank missiles by the mid-1990s.

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Ground and Air Forces

Improved defense of its land borders is an objective of high priority for Beijing, particularly because of the massive buildup of Soviet forces in the Far East. The Soviet threat includes over 15,000 tanks, 1,200 helicopters, and 1,100 advanced combat aircraft in the eastern USSR opposite China. China has noted the Soviet improvements and has taken important steps to augment its forces in the Northeast.⁴ Beijing's program, however, has only been a limited one, employing stopgap measures to increase the strength of its garrison and main force units deployed well back from the borders.

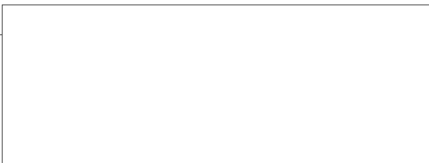
China's need for tactical systems for air defense of maneuvering combat forces is great. The Chinese are producing a copy of the Soviet SA-7 shoulder-fired low altitude surface-to-air missile (SAM) and are testing a mobile low-to-medium altitude tactical SAM. Large-scale deployment of these weapons would considerably improve the air defense cover afforded maneuver divisions, particularly against Soviet combat helicopters. We expect the Chinese to produce and deploy both air defense systems over the next decade and improve them, giving the weapons a higher kill probability against high-performance aircraft.

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China's conventional weapons production program shows a clear priority given to weapons that will bolster the capabilities of Chinese units to counter the Soviet menace.



Armor and Artillery. Aside from equipping ground forces with air defense and antitank weapons, the Chinese are intent on adding tanks and mechanized vehicles—similar to those fielded with Soviet tank and motorized rifle divisions—to PLA combat divisions. China is equipping infantry regiments in regions opposite the Soviet Union with a 1960s-vintage armored personnel carrier and tracked multiple rocket launchers, but developmental work at China's research centers suggests that a more ambitious program is in the offing. We believe that China will begin

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Antitank and Air Defense Weapons. New antitank systems are among the priority research and development projects. China recently began production of a copy of the Soviet Sagger wire-guided antitank missile and a new antitank rocket launcher. Wholesale deployment of these weapons during the 1980s will



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production of a new self-propelled gun in the next three years and is likely to produce a new tank—with improved armor and tank gun—and an infantry fighting vehicle by the beginning of the next decade:

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Improved Offensive Punch

The weapons being developed to augment China's border defenses also offer new capabilities for offensive operations. The new armored vehicles under development, for example, will give Chinese combat forces an enhanced ability to fight "head-to-head" in a counteroffensive against a Soviet ground assault.

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Advanced Aircraft. Essential to a more aggressive defense of China's land borders is the development of a new generation of fighter aircraft able to counter Soviet warplanes on bombing missions and to provide air cover for ground forces.

The Chinese also are concerned about having the appropriate forces for limited action against other neighboring states. China, for example, does not rule out the possibility of a second border war against Vietnam. Soviet military assistance has markedly improved the military strength of Vietnamese forces opposite China. Beijing, in order to maintain its military options, needs new weapons capable of defeating Vietnam's modern fighter aircraft, tanks, and artillery. We believe that Beijing will augment the forces of its strategic reserve in Wuhan Military Region and selected units along its border with Vietnam.

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We believe that

China will rely on upgraded F-7s and a limited number of F-8s during the rest of this decade, while developing an advanced generation of fighter and bomber aircraft for deployment in the 1990s.

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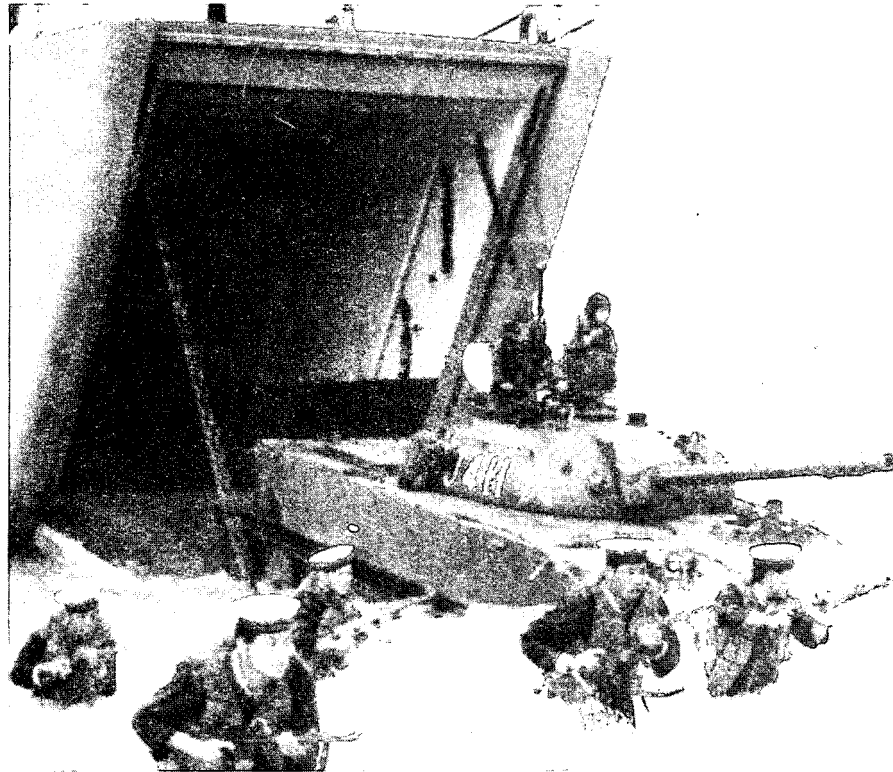
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Chinese marines conducting an amphibious assault exercise.



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Liberation Army Pictorial ©

Recent maneuvers involving amphibious landing operations indicate that Beijing is continuing to develop an amphibious assault capability. Beijing presumably is leaving open the option of an assault to gain control over the contested Spratly Islands. We have detected no effort to produce the 70 to 100 tank landing ships required for Beijing to pose a real invasion threat to Taiwan. Limited but revealing evidence, however, shows that the Chinese consider improved amphibious capabilities important:

- *PLA Pictorial*, the military's monthly magazine, in April carried an article highlighting the creation of a fledgling Marine Corps within the Chinese Navy. Combat troops wearing naval uniforms were pictured landing with tanks and amphibious APCs to establish a beachhead on an "enemy" occupied island.
- US attaches in Beijing report that a group of attaches were invited last December to witness an amphibious training exercise near Guangzhou. The exercise included the use of hovercraft as assault landing craft.

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Naval Forces

China's Navy remains predominantly a coastal defense force, but improvements made in the 1970s give the force capabilities to venture farther from China's coast. New guided-missile frigates, destroyers, and underway-replenishment oilers were built and added to each of China's three fleets. In May 1980 the Navy demonstrated its new capability for extended operations with the deployment of an 18-ship task force to an impact area near the Fiji Islands in support of an ICBM test. [REDACTED]

Advances over the past decade do not, however, allow the Chinese Navy to conduct open-ocean operations during wartime. The Navy depends heavily on land-based aircraft for its air defense and on the shallow waters of the continental shelf for protection against submarine attack. [REDACTED]

Regional Pacific Power. We believe that Beijing does envision a navy that by the year 2000 will have extended its coastal defense and prepared for naval engagements beyond the continental shelf. China has no pretension of being a naval power approaching the order of the United States or the Soviet Union, but does wish to extend its area of naval operations in order to advance claims to disputed territories—such as the Spratly Islands—and in a limited manner assert its authority as a regional, Pacific naval power. In a conversation with US defense attaches in July, a high-level Chinese naval officer stated that the Navy plans to increase the frequency of blue water operations and intends to operate in the Sea of Japan. In his words, "If the Russians can do it, so can we." [REDACTED]

Nuclear Attack Submarines and High-Speed

Frigates. Foremost among Beijing's programs to improve its naval power is the construction of Han-class nuclear attack submarines. Two were built in the 1970s. [REDACTED]

[REDACTED] The Hans could provide an oceangoing task force with an added offensive weapon against other surface combatants and a greater defense against enemy submarine attacks. [REDACTED]

Although the Navy built a number of new surface combatants in the 1970s, all were of 1950s design. Beijing is reportedly planning to construct a new

series of combatants during the next decade. Military attaches earlier this year reported that China plans to build 10 to 20 newly designed 1,900-ton frigates using US gas turbine and West German diesel engines. We believe that at least some of these modern frigates will be outfitted for antisubmarine warfare—because of their quiet-running turbine engines—while others will be equipped for an air defense role. [REDACTED]

Helicopter Carriers. Beijing is also contemplating the development of a light helicopter carrier. Eventual procurement of a light carrier would be an important step toward becoming a regional naval power and add considerably to the air defense and antisubmarine warfare capabilities of any task force. Beijing, in the past, discussed the purchase of a foreign-built light carrier with British and French officials but no contracts were signed. More recently the Chinese have been considering building their own carrier, [REDACTED]

[REDACTED] We believe China will eventually procure a light carrier but would not expect deployment before the mid-1990s. [REDACTED]

Short-Term Improvements. In the short run, the Navy will probably field several systems which will improve fleet air defense, antiship, antisubmarine warfare, and submarine warfare capabilities without requiring the procurement of capital ships. These improvements include:

- R-class diesel submarines modified to carry antiship missiles. [REDACTED]

- Hoku-class missile patrol boats modified to carry new solid-propellant antiship missiles. [REDACTED]

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The Chinese People's Liberation Army is continuing to build itself into a modern armed force with high capability for combined operation and quick reaction in modern warfare. . . . We have shifted the stress of training from anti-infantry to antitank warfare, from single services to combined units, and from soldiers to officers. . . . The number of field exercises has been increased following a successful exercise using ground and Air Force forces and airborne troops in the autumn of 1981 in North China. . . . 1982 was a record year because more army units than ever before were plunged into military training.

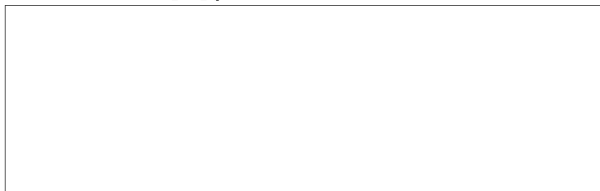
Chief of Staff Yang Dezhi, June 1983



- A seaborne surface-to-air missile for frigates and destroyers.



- Helicopters equipped for detection of submarines.



Tools for Military Modernization

Although general agreement appears to exist within the armed forces on the modernization strategy, there are clearly divergent views as to the priorities, pace, and role of weapons imports in reequipping the PLA. Lucrative arms export contracts offer a new source of funding for modernization but may create unreasonable expectations of rapid weapons improvements.

Debate Over Weapons Acquisitions

China's top military and civilian leaders view China's military industrial base as the foundation from which to build the military modernization program. For example, Defense Minister Zhang Aiping—whose last

post was director of weapons research and development for the PLA—in a recent article in the Chinese press rejected the idea of massive weapons imports as “unrealistic” and exhorted Chinese industry to be self-sufficient in the production of needed weapons. As former administrator of China's nuclear weapons program, Zhang noted with obvious pride China's achievements in building a nuclear arsenal, and we suspect that under his leadership the research and development budget for the PLA will increase substantially.

Supported by the civilian leadership, the Defense Minister has battled in recent months with the Air Force and Navy, which wish to improve capabilities rapidly through weapons purchases. Last fall, the Navy signed a tentative contract to purchase the British Sea Dart naval defense missile for its destroyers. US attaches report that Defense Minister Zhang, using the newly formed National Defense Science and Technology Industrial Commission (NDSTIC), blocked the purchase and also canceled Air Force negotiations with the French for Mirage fighters.



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[REDACTED]

The attitudes the Defense Minister represents are viewed by some military officers as extremely conservative and backward. Some PLA voices charge that the high command favors the ground forces and prefers to see indigenous, albeit inferior, weapons put into service rather than press for funds for expensive but superior equipment from abroad.

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Foreign Technology Acquisition

The PLA high command, although opposing wholesale weapons imports, is aggressively pursuing selected foreign assistance, particularly in critical programs where imported technology can markedly improve China's weapons production base.

Arms Sales

Arms sales to foreign customers offer Beijing a method of procuring military technology and hiring consultants without placing additional requirements on the state budget. China's three-year-old drive to sell weapons on the international arms market has resulted in contracts for more than \$4 billion in military exports. These sales may help pay for new PLA weapons as profits run as high as 100 percent on some items. According to attache reports from Beijing, China sells F-7s (MIG-21s) to Egypt for about \$2 million each, but we estimate the Chinese produce the fighter for only about \$1 million a copy. With orders from Egypt and Iraq for over 100 F-7s, China could afford to build some 100 F-7s for its own forces with the profits.

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China is also hiring Western consultants to overcome technical problems in weapons development. Technicians from Britain's tank engine manufacturer, Rolls-Royce, were reported by US attaches in Datong in 1982 assisting the Chinese with tank improvement projects. British technicians are also being hired to work on developing more modern air-to-air missiles for China's Air Force. Finally, a US firm is in the final stages of contract negotiations to offer assistance in upgrading China's Yun-8 military transport aircraft.

The Chinese leadership may also be more willing to allocate funds to modernize defense industries, believing that advanced hardware can then be used to earn foreign exchange as well as serving to reequip and modernize the PLA. China, according to a US Defense attache source, recently offered to sell the SA-7 to foreign customers even before the weapon is widely deployed with Chinese combat units. Other examples of arms sales before widespread deployment include the type 69 tank and a new armored recovery vehicle.

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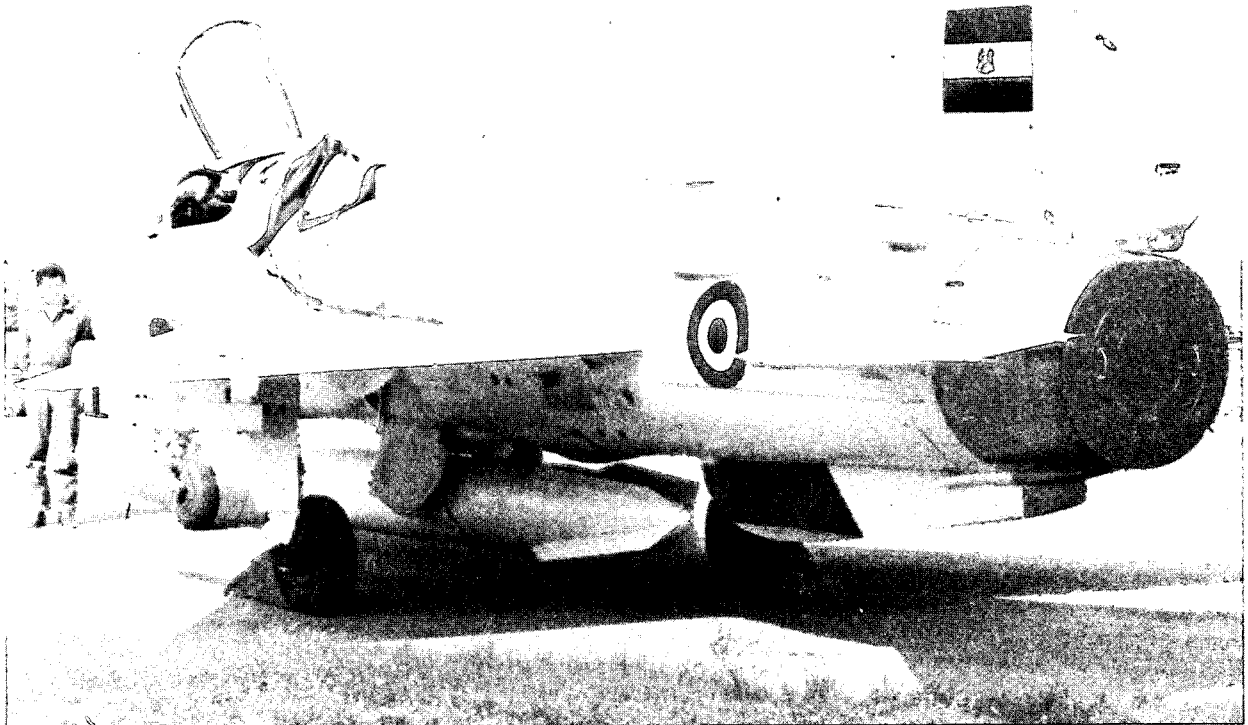
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Chinese F-7 recently delivered to the Egyptian Air Force. [REDACTED]

Aviation Week & Space Technology © 25X1

of MIG-19s sold to Egypt in exchange for Egyptian- 25X1
provided samples of Soviet SA-6 and SA-7 surface-to-
air missiles, the Sagger antitank guided missile, and
two MIG-23 fighters. [REDACTED] 25X1

Implications

For the Sino-Soviet Balance

By the end of the decade, new defensive weapons—if
fielded in sufficient numbers—will considerably en-
hance China's capability to inflict heavy losses on any
Soviet conventional invasion. Widely deployed anti-
tank missiles will, for the first time, provide the

Aside from earning foreign exchange, China benefits
from occasional technology transfers from foreign
customers. Through its sales to Pakistan, China has
obtained access to Western air-to-air and surface-to-
air missiles. Three years ago, China reduced the price

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Even if we can have 10 or 20 years to modernize our armed forces, our weapons and equipment will remain inferior to those of our enemies. For this reason, if war should break out, we must continue to defeat the strong with the weak. It has always been our experience to defeat a superior enemy with inferior equipment, for we wage a righteous war and a people's war. In this, we must have full confidence.

Military Commission Chairman Deng Xiaoping,
December 1977



Chinese infantry a credible capability to defeat all models of Soviet tanks, with the possible exception of the few T-72s, now deployed in the Far East. We expect the Soviets will improve their forces stationed along China's northern border and continue to hold an overwhelming advantage in offensive power. [redacted]

China's growing nuclear arsenal will ensure that the Soviets pay an even higher price for any first strike against China in the 1990s. By the mid-1990s, with nuclear ballistic missile submarines continuously on station, the Chinese will notably enhance the viability of their nuclear deterrent. [redacted]

For the United States

China's expanding nuclear arsenal will not represent a significantly increased threat to the United States in the early 1990s. We estimate that China will deploy a force of 10 to 20 full-range intercontinental missiles which will give Beijing the capability to mount only limited retaliatory strikes against soft targets in the United States. [redacted]

Many of the anticipated weapons improvements for China's conventional forces depend heavily on the acquisition of advanced technology and production know-how from the West. Beijing considers American technology to be superior and will continue to seek assistance from the United States to upgrade its military capabilities. Former Deputy Chief of Staff for Intelligence, Wu Xiuquan, told a visiting delegation of academics last October that, although China

will use its own technological abilities, it desires US assistance—provided it is offered on favorable terms—in such areas as modern attack helicopters and fighter aircraft. [redacted]

For Taiwan and Vietnam

Although China is improving its amphibious assault capabilities through training, we detect no attempts to build the large numbers of landing ships that are required for Beijing to pose a real invasion threat to Taiwan. Such a program is unlikely as it would divert resources from higher priority areas. We believe Beijing's intention is to create a small Marine Corps over the next decade for defense of its offshore islands and to improve its chances of success in an amphibious assault against islands such as the Spratlies. [redacted]

Weapons enhancements will enable Beijing to improve its capabilities against weapons currently in Taiwan's and Vietnam's inventories. New Chinese fighters, frigates, and armored vehicles, if deployed in strength in the 1990s, will give the Chinese a qualitative advantage over its southern adversaries. Vietnam, in particular, will find its recently augmented northern border defenses jeopardized. We anticipate, however, that both Taiwan and Vietnam will seek assistance from abroad in order to keep pace with the Chinese. [redacted]

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Prospects

We believe China's military modernization objectives for the next decade are both reasonable and achievable. However, China's technological limitations are many and defense modernization continues to have a lower priority than programs to modernize agriculture, industry, and science and technology. The national economy must continue to improve if the PLA's goals are to be fulfilled. [REDACTED]

Defense industries in China, even though improving, still experience considerable delays in moving weapons from development to deployment, and as they begin production of advanced weapons they are certain to encounter numerous difficulties. Technology imports will help but—as in the case of China's ill-fated experience in the 1970s with the British Spey fighter engine—they are no guarantee of success. [REDACTED]

Funding for defense modernization remains an unresolved issue. The PLA can expand its nuclear arsenal and procure low-cost antitank and air defense weapons within the current limits of defense spending. But substantially increased defense outlays are needed to fund the production of expensive major weapons systems (such as self-propelled artillery, armored personnel carriers, aircraft, and frigates) currently under development. Limited procurement of these weapons will not meet Beijing's defense needs, and statements by PLA spokesmen indicate that the military does not expect higher defense outlays before 1986. If funding is not available, the military will be forced to make hard choices between weapons programs. [REDACTED]

Success also depends on continued domestic stability and civilian support of military modernization. Deng Xiaoping, as the primary architect, will undoubtedly continue to guide and support defense modernization. The relationship between the professional military and Deng's chosen successors remains hazy, however, and the military could find itself with diminished support after Deng's death. [REDACTED]

We are, nonetheless, impressed with the array of weapons development programs now under way and the recent successes Beijing has had in adding to its nuclear arsenal attests to the growing capabilities of

China's military industrial complex. The limitations of China's defense industries are substantial, but success in the past few years at acquiring selected Western technology leads us to believe China will make significant progress in weapons improvements. [REDACTED]

The professionalization of the PLA is off to an impressive start and Beijing appears to be preparing well for the future. The retirement of aged officers and the promotion of educated younger men is a positive signal of renewal. Fresh thinking in tactics and training are likely from the new guard and already there are signs of innovations in the use of existing weapons. According to attache reports, the Chinese recently proposed to the British an Air Force officer exchange program in which Chinese fighter pilots would receive flight training in the United Kingdom. Programs of this nature will guarantee the introduction of new fighting tactics into the PLA. [REDACTED]

Beijing's improvements to its defense posture are unlikely to alter significantly the overall balance of forces in East Asia. Improvements to the Soviet military position will continue, and the best Beijing can hope for is to narrow the gap in weapons quality from the current 20-year lag behind those of the Soviets to perhaps 10. Beijing will, however, have maintained and strengthened its strategic deterrent and new ground force weapons—if deployed in quantity—will increase the capabilities of the conventional forces to mount a credible defense along the Soviet front. [REDACTED]

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